Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SCEM-02 INT-08 CG-00 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

NSC-10 SS-20 STR-08 CEA-02 L-03 H-03 DODE-00 PA-04

USIA-15 PRS-01 PM-07 COA-02 EUR-25 DRC-01 /204 W ------ 040901

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E.O. 11652: N/A

TAGS: ENRG, ETRN, PE

SUBJ: CARGO PREFERENCE LEGISLATION FOR OIL IMPORTS

REF: STATE 200716, 228239

1. PERUVIAN LAW NO. 13836 OF JANUARY 5, 1962, WHICH PROVIDES LEGAL BASIS FOR OCEAN CARGO TRANSPORTATION INCLUDING OIL IMPORTS, IS STILL IN FORCE. IN SUBSTANCE IT PROVIDES FOR (A) FURTHERANCE OF THE DEVELOPMENT OF PERUVIAN SHIPBUILDING IND-UDSTRY; (B) EXPANSION OF THE PERUVIAN STEAMSHIP CORPORATION'S FLEET; (C) AUTHORIZATION FOR THE GOP TO SET PERCENTAGES FOR THE PERUVIAN SHARE OF COMMERCIAL CARGOES; AND (D) RESERVATION OF CABOTAGE TRADE FOR PERUVIAN FLAG VESSELS AND PREFERENCE TO SUCH VESSELS IN CARRIAGE OF GOVERNMENT CARGOES.

2. THE 1962 ACT HAS BEEN IMPLEMENTED BY SUPREME DECREE NO. 03 OF JANUARY 25, 1966; NO. 12 OF MAY 13, 1966; NO. 012-70-TC OF JUNE 2, 1970; AND NO. 034-70-TC OF DECEMBER 15, 1970.

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3. THE SUPREME DECREE OF JANUARY 25, 1966 RESERVES FOR

PERUVIAN FLAG VESSELS 100 PERCENT OF COASTAL AND INLAND WATERWAYS CARGOES AND 20 PERCENT OF IMPORT AND EXPORT CARGOES, THE LATTER TO BE INCREASED PERIODICALLY UP TO 50 PERCENT.

- 4. THE SUPREME DECREE OF MAY 13, 1966 IMPLEMENTS THE JANUARY 25, 1966 DECREE, AND AUTHORIZES PERUVIAN SHIP-OWNERS TO ENTER INTO SPECIAL CHARTER CONTRACTS WITH FOREIGN SHIPPING COMPANIES TO CARRY APPROXIMATELY 50 PERCENT OF COMMERCIAL CARGOES.
- 5. THE SUPREME DECREE OF JUNE 2, 1970 MAKES IT MANDATORY TO SHIP 50 PERCENT OF EXPORT CARGOES IN PERUVIAN FLAG VESSELS.
- 6. FINALLY, THE DECEMBER 15, 1970 DECREE EXTENDS THE 50 PERCENT REQUIREMENT TO ALL IMPORTS, INCLUDING BOTH COMMERCIAL AND GOVERNMENT CARGOESM THIS DECREE ALSO REQUIRES THAT 100 PERCENT OF CARGO IMPORTED FREE OF DUTY INTO PERU BE CARRIED IN PERUVIAN BOTTOMS OR IN VESSELS BELONGING TO COMPANIES WHICH HAVE SIGNED INTERNATIONAL SHIPPING AGREEMENTS APPROVED BY THE MINISTRY OF TRANSPORT AND COMMUNICATIONS.
- 7. IN CONNECTIN SPECIFICALLY WITH OIL TRANSPORTATION, PETROPERU, THE STATE PETROLEUM MONOPOLY, INFORMS US THAT, DESPITE THE FOREGOING LEGISLATION, PRT OF CABOTAGE TRADE AND ALMOST ALL OIL IMPORTS AND EXPORTS ARE STILL MADE IN FOREIGN FLAG VESSELS.
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